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LISTING STATEMENT NO. 2362

LISTED APRIL 30, 1969
379,799 Common Shares without par value.
Stock Symbol "SHN".
Post Section 11.
Dial Quotation Number 1296.
1,609,196 Cumulative Participating Class "B"
Preference Shares without par value,
of which 90,000 Shares are subject to
issuance.
Stock Symbol "SHN B PR".
Post Section 11.
Dial Quotation Number 1889.
1,000 Cumulative Participating Class "C"
Preference Shares without par value.
Stock Symbol "SHNC PR".
Post Section 11.
Dial Quotation Number 2165.

file

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

J. M. SCHNEIDER, LIMITED

Incorporated under the laws of the Province of Ontario
by Letters Patent dated December 30th, 1930

Cumulative participating Class 'B' preference shares without par value
and cumulative participating Class 'C' preference shares without par value
Common shares without par value

(Transferable in Toronto, Montreal and Winnipeg)

CAPITALIZATION AS OF APRIL 15th, 1969

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
6% non-voting non-cumulative Class 'A' preference shares with a par value of 20¢ per share	5,000,000	None	None
Cumulative participating Class 'B' preference shares without par value	2,500,000	1,519,196	1,609,196
Common shares without par value	580,825	379,799	379,799
Cumulative participating Class 'C' preference shares without par value	1,000	None	1,000

- NOTE: (1) The cumulative participating Class 'B' preference shares without par value and the cumulative participating Class 'C' preference shares without par value are convertible share for share into the other at the option of the holder.
- (2) The attributes of the cumulative participating Class 'B' preference shares without par value and the cumulative participating Class 'C' preference shares without par value (other than the cumulative participating Class 'B' preference shares are entitled to a preferential dividend) are identical except that the Company at its option may from time to time pay dividends on the cumulative participating Class 'C' shares in whole or in part by way of stock dividend consisting of Class 'A' redeemable preference shares and to redeem any Class 'A' preference shares issued as a result of such stock dividend.

April 15th, 1969

1. APPLICATION

J. M. SCHNEIDER, LIMITED (herein called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,609,196 cumulative participating Class 'B' preference shares without par value (herein sometimes called "Class 'B' shares") of which 1,519,196 Class 'B' shares have been issued and are outstanding as fully paid and non-assessable. The remaining 90,000 Class 'B' shares included in this application are reserved for issuance under the Company's Stock Option Plan (25,000) and under the J. M. Schneider, Limited Employees Payroll Deduction Capital Stock Purchase Plan (65,000). The Company further makes application to list its authorized cumulative participating Class 'C' preference shares without par value. The Company further makes application for the listing of 379,799 common shares without par value, all of which have been issued and are outstanding as fully paid and non-assessable.

2.

REFERENCE T O PROSPECTUS

Reference is hereby made to the attached Prospectus issued by the Company under date of January 31st, 1969, with respect to the offering of 150,000 cumulative participating Class 'B' preference shares without par value of the Company, a copy of which Prospectus is hereby incorporated in this application and made part hereof.

3.

SHARE ISSUES DURING THE PAST TEN YEARS

(a) By Supplementary Letters Patent dated the 18th of February, 1965, Class 'B' non-voting shares with a par value of \$15.00 each were created and all such shares issued are shown on Schedule "A" attached hereto. These shares were converted into common shares by Supplementary Letters Patent dated the 10th day of January, 1969.

(b) Common shares without par value which were subdivided by Supplementary Letters Patent dated the 18th day of February, 1965, and which common shares were further subdivided by Supplementary Letters Patent dated the 10th day of January, 1969, issued since the 16th day of January, 1959, are shown on Schedule "B" attached hereto.

4.

LISTING ON OTHER STOCK EXCHANGES

None of the securities of the Company or of any of subsidiaries or controlled companies are listed on any other stock exchanges.

5.

STATUS UNDER SECURITIES ACTS

The said 150,000 cumulative participating Class 'B' preference shares without par value offered for sale by the above-mentioned Prospectus were qualified for sale to the public through registered brokers in each of the Provinces of Ontario, Quebec and Manitoba.

6.

FISCAL YEAR

The fiscal year of the Company ends on the completion of fifty-two full weeks from the previous year end. The year end for the year 1968 was November 2nd, 1968. The year end for the next fiscal year will be November 1st, 1969.

7.

ANNUAL MEETING

The By-laws of the Company provide that the annual meeting of shareholders shall be held at such place within Ontario, at such time and on such day in each year as the Board of Directors may determine. The last annual meeting of the Company was held on the 7th day of January, 1969, at the Coronet Motor Hotel, 871 Victoria Street North, Kitchener, Ontario, at 7:30 p.m. E.S.T.

8.

HEAD OFFICE

The Head Office of the Company is located at 321 Courtland Avenue East, Kitchener, Ontario.

9.

TRANSFER AGENT AND REGISTRAR

Canada Trust Company at its principal transfer offices in Toronto, Montreal and Winnipeg is the Transfer Agent and Registrar for all classes of shares of the Company.

10.

TRANSFER FEE

No fee is charged on the transfer of the common shares other than customary Government stock transfer taxes.

11.

AUDITORS

The auditors of the Company are Messrs. Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, 305 King Street West, Kitchener, Ontario.

12.

DIRECTORS

James Blanding Banks	Industrial Engineer	205 Sunview Street, Waterloo, Ontario
Eric Henry Bull	Pork Manager	R. R. #1, Preston, Ontario
Dawson Charles Jamieson	Treasurer	119 Melrose Avenue, Kitchener, Ontario
Kenneth George Murray	General Manager	199 Stanley Drive, Waterloo, Ontario
John Darville Rossiter	Produce Manager	230 Dick Street, Waterloo, Ontario
Roy Carl Scheifley	Secretary	122 Merner Avenue, Kitchener, Ontario
Frederick Paul Schneider	Executive	R. R. #3, Kitchener, Ontario
Herbert John Schneider	Executive	R. R. #1, Preston, Ontario
Howard George Schneider	Development Manager	102 Shadywood Crescent, Kitchener, Ontario
Norman Christoph Schneider	Executive	R. R. #1, Preston, Ontario
James Douglas Small	Retired Executive	29 Rusholme Road, Kitchener, Ontario
Richard Walter Steinberg	Plant Engineer	52 Cloverdale Crescent, Kitchener, Ontario
Reginald Edward Wand	Sales Manager	188 Margaret Avenue, Apt. 1103 Kitchener, Ontario

13.

OFFICERS

Norman Christoph Schneider	Chairman	R. R. #1, Preston, Ontario
Frederick Paul Schneider	President	R. R. #3, Kitchener, Ontario
Herbert John Schneider	Vice-President	R. R. #1, Preston, Ontario
Roy Carl Scheifley	Secretary	122 Merner Avenue, Kitchener, Ontario
Dawson Charles Jamieson	Treasurer	119 Melrose Avenue, Kitchener, Ontario

14.

CERTIFICATE

Pursuant to a resolution passed by the Board of Directors the applicant Company hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

J. M. SCHNEIDER, LIMITED



"F. P. SCHNEIDER",
President

"R. C. SCHEIFLEY",
Secretary

DISTRIBUTION OF COMMON STOCK AS OF MARCH 14th 1969

Number					Shares
100	Holders of	1 —	24 share lots	.....	1,199
156	" "	25 —	99 " "	.....	7,268
56	" "	100 —	199 " "	.....	6,716
65	" "	200 —	299 " "	.....	16,079
26	" "	300 —	399 " "	.....	8,926
15	" "	400 —	499 " "	.....	6,259
44	" "	500 —	999 " "	.....	30,566
51	" "	1000 —	up " "	.....	302,786
<u>513</u>	Shareholders			Total shares	<u>379,799</u>

DISTRIBUTION OF CLASS B STOCK AS OF MARCH 14th 1969

Number					Shares
55	Holders of	1 —	24 share lots	.....	875
749	" "	25 —	99 " "	.....	30,939
470	" "	100 —	199 " "	.....	49,874
146	" "	200 —	299 " "	.....	30,545
62	" "	300 —	399 " "	.....	19,425
46	" "	400 —	499 " "	.....	18,660
70	" "	500 —	999 " "	.....	44,880
196	" "	1000 —	up " "	.....	1,323,990
<u>1,794</u>	Shareholders			Total shares	<u>1,519,196</u>

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

DATED this 23rd day of April, 1969.

McLEOD, YOUNG, WEIR & COMPANY LIMITED

"ALASTAIR FRASER",
Vice-President

Secretary

SCHEDULE "A"

J. M. SCHNEIDER, LIMITED CLASS "B" PREFERENCE SHARES

<u>Date of Issue</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Total Amount Realized</u>
1965			
June 28	100	19.00	1,900.00
July 7	100	19.00	1,900.00
August 14	250	19.00	4,750.00
August 26	105	19.00	1,995.00
August 27	50	19.00	950.00
August 31	75	19.00	1,425.00
September 2	50	19.00	950.00
September 8	250	19.00	4,750.00
September 24	150	19.00	2,850.00
October 7	46	19.00	874.00
October 6	15	19.00	285.00
November 4	1,641	19.00	31,179.00

NOTE: The Class "B" preference shares issued on the 4th day of November, 1965, were issued partly as a bonus to members of the Executive group. The total bonus authorized by the Board of Directors was \$62,991.53. Of this amount the Board of Directors determined that \$31,179.00 would be paid by issuing 1,641 Class "B" preference shares at \$19.00 per share.

1966			
January 20	45	25.00	1,125.00
March 20	300	25.00	7,500.00
April 7	250	25.00	6,250.00
April 14	40	25.00	1,000.00
May 17	250	25.00	6,250.00
May 26	15	25.00	375.00
June 1	250	25.00	6,250.00
June 3	255	25.00	6,375.00
1967			
October 20	10,000	32.00	320,000.00

NOTE: The shares issued on October 20th, 1967, were issued as a result of the redemption of general debenture bonds and a total of 10,000 Class "B" preference shares were issued following the redemption of the debentures held by Messrs. F. H. Schneider and N. C. Schneider.

October 24	496	32.00	15,872.00
October 26	315	32.00	10,080.00
1968			
January 31	15	33.00	495.00
February 13	45	33.00	1,485.00
March 6	30	33.00	990.00
March 12	250	33.00	8,250.00
March 19	66	33.00	2,178.00
March 28	65	33.00	2,145.00

SCHEDULE "B"

J. M. SCHNEIDER, LIMITED COMMON SHARES

<u>Date of Issue</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Total Amount Realized</u>
1959			
January 16	5	36.00	180.00
January 17	260	36.00	9,360.00
January 21	140	36.00	5,040.00
January 28	20	36.00	720.00
January 30	65	36.00	2,340.00
February 4	10	36.00	360.00
January 16	15	36.00	540.00
January 21	50	36.00	1,800.00
February 6	210	36.00	7,560.00
February 7	135	36.00	4,860.00
February 11	180	36.00	6,480.00
1960			
January 23	205	42.00	8,610.00
January 27	25	42.00	1,050.00
January 30	25	42.00	1,050.00
January 22	50	42.00	2,100.00
February 1	25	42.00	1,050.00

Outstanding Issue



150,000 Cumulative Participating Class B Preference Shares
(without par value)

J. M. SCHNEIDER, LIMITED

The Class B shares are convertible into Class C shares as described on page 7.

The Class B shares offered by this prospectus are outstanding shares being purchased from shareholders of the Company whose names and holdings are shown under the heading "Selling Shareholders" on page 6. No part of the proceeds from the sale thereof will be paid to the Company.

There is at present no market for the Class B shares. Application has been made to list these shares (and the Class C shares) on The Toronto Stock Exchange. Acceptance of the listing will be subject to the filing of the required documents and evidence of satisfactory distribution, both within 90 days.

In the opinion of Counsel the Class B shares will be investments in which the Canadian and British Insurance Companies Act states that a company registered under Part III thereof may invest its funds without resorting to the provisions of subsection (4) of Section 63 of the said Act and will also be investments in which Schedule C to the Regulations under the Pension Benefits Standards Act states that the funds of a pension plan thereunder may be invested without resorting to the provisions of section 4 of the said Schedule C.

	Price to Public	Underwriter's Discount	Proceeds to Selling Shareholders ⁽¹⁾
Per Share.....	\$8.50	\$0.50	\$8.00
Total.....	\$1,275,000	\$75,000	\$1,200,000

(1) Before deducting expenses estimated at \$5,000.

We, as principals, offer these Class B shares subject to prior sale and subject to the approval of all legal matters on our behalf by Messrs. Borden, Elliot, Kelley & Palmer, Toronto, Ontario and on behalf of the Selling Shareholders by Messrs. Bray, Schofield, Mackay & Kelly, Kitchener, Ontario.

Price: \$8.50 per share

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. It is expected that definitive certificates will be available for delivery on or about February 19, 1969.

McLEOD, YOUNG, WEIR & COMPANY
LIMITED

TORONTO MONTREAL OTTAWA WINNIPEG LONDON VANCOUVER HAMILTON CALGARY
KITCHENER QUEBEC SHERBROOKE WINDSOR EDMONTON REGINA VICTORIA NEW YORK
LONDON, ENGLAND PARIS, FRANCE

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THE COMPANY

J. M. Schneider, Limited (the "Company" or "Schneiders") is a well-known meat packer engaged in the production, distribution and sale of packing house products. The Company, located in Kitchener, Ontario, carries on the business founded in early 1890 in the same community by John Metz Schneider. Since inception over 78 years ago, the Schneider family has been actively engaged in the management of the business.

The policies followed by the Company in the conduct of its affairs have their source in the philosophies and beliefs of John Metz Schneider—the effectiveness of the competitive free enterprise system, the foundation of a business is service and quality, and a sincere interest and true concern for the individual. Adherence to these beliefs has resulted in a Company which today employs over 1,600 people and has an annual sales volume of over \$60,000,000.

The Company was incorporated under the laws of Ontario by letters patent dated December 30, 1930. Its principal and head office is located at 321 Courtland Avenue East, Kitchener, Ontario. Supplementary letters patent to be dated January 10, 1969 are being issued to the Company which will alter and increase its capital as reflected under the heading "Capitalization" on page 5.

OPERATIONS

Products and Markets

The Company's operations are located in the centre of one of the finest agricultural and livestock producing districts in Canada and there is immediate access to an excellent source of supply of high quality farm products. As a result, Schneiders plays a vital role in the business life of the surrounding farm community and provides an important cash market for many types of agricultural produce grown and raised in the area.

The Company markets, under the Schneider name, a wide variety of farm produce which enables it to have one of the most complete product lines in its industry. Schneiders meats include pork, beef, veal, lamb, and poultry and are sold in many forms—fresh, processed, fast frozen, cured, canned, and cooked. The Company also sells lard and shortening, eggs, butter and a variety of cheeses. These products, which shoppers recognize as being "famous for quality", are sold under the well known Schneider Dutch Girl trade mark.

Product sales for the fiscal year ended November 2, 1968 exceeded 100,000,000 pounds. The breakdown of this sales volume by major classification was as follows:

Sausages and cooked meats.....	31%
Fresh and processed pork.....	24%
Poultry, butter, eggs and cheese.....	19%
Beef, veal and lamb.....	15%
Lard and shortening.....	9%
Canned goods.....	2%
	<u>100%</u>

The principal markets for the Company's products are southern Ontario, northern Ontario as far west as the Lakehead, Montreal and northwestern Quebec. In addition, some products are shipped to Quebec City and the Atlantic Provinces. To a limited extent, the Company sells products in the export market including the United States, the United Kingdom and the Caribbean area.

The Company's early recognition of the vital importance of retail outlets in the distribution and sale of its products laid the cornerstone for the Schneider marketing organization which exists today. The nucleus of stores carrying Schneider products at the turn of the century has grown into approximately 12,500 retail outlets through which such products now reach the consumer. Among these outlets are stores which have carried Schneider products for more than 50 years as well as most of the modern supermarkets which have revolutionized food retailing. Schneiders aims at prompt and efficient service so as to ensure that its products reach the consumer in plant-fresh condition. To achieve this goal the Company's products are sold in packages that are designed for preservation of product freshness and convenience to consumers.

The Company has a sales force of 80 people to service its Canadian market. It maintains branch offices in Toronto, Hamilton, London, Windsor, Sudbury, Ottawa, and Montreal. These offices are linked, through the use of modern communications media, to the Company's computerized order processing system and are

supported by a distribution organization that can ship up to 25,000 pounds of product an hour from the Kitchener plant.

Based on 1968 sales volume, the breakdown by customer classification was as follows:

Independents.....	45%
Corporate chains.....	20%
Hotels and restaurants.....	14%
Independent chains.....	10%
Voluntary groups.....	5%
Institutions.....	2%
Export.....	1%
Other.....	3%
	<hr/> 100%

Quality control has been a byword at Schneiders since operations began. A laboratory staff, including a chemist and a microbiologist, constantly checks the Company's products against rigid quality control standards. This staff, working in conjunction with the product development department, is continually investigating and developing new products and production techniques.

Plant Operations

The Company's principal plant at Kitchener, Ontario is considered one of the most modern meat packing plants in Canada. Located on a 16 acre site this plant contains approximately 350,000 square feet of floor space including that used for executive and administration offices. Construction is primarily of reinforced concrete which allows for flexible use of space and easy addition to the original structure. The Company has a cold storage plant, containing 43,000 square feet of floor space, also located in Kitchener. Both plants have a complete sprinkler system for protection against fire hazard.

There is presently under construction a new primary sewage treatment plant, estimated to cost \$500,000. This plant, designed to remove solids and fats, will have a capacity to pretreat 3,000,000 gallons of effluent daily.

The Company's egg and cheese operations are located in two plants at Wellesley, Ontario (near Kitchener) which have nearly 28,000 square feet of floor space. The Company also owns a 97 acre farm adjoining the cheese factory.

The Company uses the most modern equipment in its operations and has a continuing programme of modernizing plant and equipment to maintain its productive facilities at a high level of operating efficiency. During the past 8 years it has expended over \$9,300,000 on both plant expansion and the purchase of new equipment.

To provide for further expansion, the Company is planning to build a modern production facility on optioned land adjoining its principal plant. This facility will be designed to improve product flow and increase productivity. The Company has also taken an option on 23 acres of land in and near the town of Ayr, Ontario, some 15 miles from Kitchener, where it is planning to build a meat fabrication and processing plant. It is expected that tenders for construction of this latter plant will be called for some time in the early part of 1969.

Employees

In recognition of the importance of the contributions made by its employees, the Company has followed policies of full employment and promotion from within the ranks. The success of these policies is borne out, in part, by the more than satisfactory relations the Company has always enjoyed with its employees. As at November 2, 1968, about 300 employees, other than members of the Schneider family, were shareholders of the Company owning, in total, nearly 32% of the outstanding shares of the Company.

Over 10% of the 1,600 employees have been with the Company for over 25 years. Many of the present employees represent the third generation of families who have worked for the Company. The hourly rated employees are represented by the Schneiders Employees' Association, an independent union certified by the Ontario Labour Relations Board. Wage and salary levels are commensurate with those in the industry and all employees participate in comprehensive benefit plans, including pension, group insurance, and medical coverage.

In 1917 Schneiders instituted a profit sharing plan for its employees. The present plan recognizes the contribution made both by the employees and the shareholders to the profitable operation of the Company. The plan first makes provision for a reasonable annual return on the shareholder's investment, as reflected in the Company's books of account, after which any additional profits (as defined) that are earned in the year are allocated as to the amount to be shared with the employees under the profit sharing plan and the amount available for corporate purposes as may be determined by the Company's directors.

CAPITALIZATION

The authorized and outstanding shares as at December 2, 1968 as shown in the table below are after giving effect to the issuance of supplementary letters patent to be dated January 10, 1969 which will alter and increase the Company's capitalization as set forth in note 1 below.

	Authorized	Outstanding as at	
		November 2, 1968	December 2, 1968 ⁽¹⁾
6% non-voting non-cumulative Class A preference shares, redeemable at a par value of 20¢ per share	5,000,000 shs. ^(1a)	—	—
45¢ non-voting non-cumulative participating Class B preference shares with a par value of \$15 per share	(1b)	15,519 shs. ^(1b) (\$232,785)	—
Cumulative participating Class B preference shares without par value carrying a preferential dividend of 24¢ per share ⁽²⁾	2,500,000 shs. ^(1d)	—	1,519,196 shs. (\$952,092)
Cumulative participating Class C preference shares without par value carrying a preferential dividend of 24¢ per share ⁽²⁾	1,000 shs. ^(1e)	—	—
Common shares without par value	580,825 shs. ^(1b)	364,280 shs. (\$957,330)	379,799 shs. (\$238,023)

- Supplementary letters patent to be dated January 10, 1969 are being issued to the Company which will alter and increase its capital as follows:
 - subdividing the authorized 890,968 6% non-voting non-cumulative Class A preference shares with a par value of \$1 per share into 4,454,840 shares with a par value of 20¢ per share and increasing the authorized number of such shares to 5,000,000 by creating an additional 545,160 shares;
 - converting the 60,000 authorized and 15,519 issued 45¢ non-voting non-cumulative participating Class B preference shares into 60,000 authorized and 15,519 issued common shares thereby increasing the authorized and issued common shares to 580,825 and 379,799 shares respectively;
 - subdividing the 379,799 issued common shares (including shares resulting from the conversion referred to in (1b) above) into 1,519,196 cumulative participating Class B preference shares and 379,799 "new" common shares on the basis of 4 Class B shares and 1 "new" common share for each "old" common share;
 - increasing the authorized number of cumulative participating Class B preference shares to 2,500,000 by creating an additional 980,804 shares; and
 - creating 1,000 cumulative participating Class C preference shares.
- The cumulative participating Class B preference shares and the cumulative participating Class C preference shares are to be convertible one into the other at any time at the option of the holder. By virtue of The Corporations Act (Ontario), upon any such conversion the number of authorized and outstanding shares of each class affected by the conversion is changed accordingly.
- In addition to the stated value of the common shares as shown above, the Company as of November 2, 1968 had retained earnings of \$9,860,879 and contributed surplus of \$217,643.
- Reference is made to note 6 to the financial statements on page 14 for particulars of the Company's lease obligations.

PLAN OF DISTRIBUTION

Under an agreement dated January 31, 1969 McLeod, Young, Weir & Company Limited, as underwriter, has agreed to purchase from certain shareholders (the "Selling Shareholders") of the Company, subject to the terms and conditions set forth in the said agreement, the 150,000 cumulative participating Class B preference shares (the "Class B shares") offered by this prospectus for an aggregate price of \$1,200,000 payable in cash against delivery. No proceeds from the sale of such shares will be received by the Company.

SELLING SHAREHOLDERS

The following table lists the names of the Selling Shareholders, the number of Class B shares that would be owned by each such shareholder, if effect were given as at December 2, 1968 to the issuance of supplementary letters patent to the Company as referred to under the heading "Capitalization" on page 5, and the number of Class B shares that would be owned after completion of this offering.

	Number of Class B shares that would be owned as at December 2, 1968	Number of Class B shares being sold	Number of Class B shares to be owned after this offering
JEAN MAY HAWKINGS.....	157,000	25,120	131,880
DAVID FREDERICK SCHNEIDER ESTATE.....	16,216	2,590	13,626
FREDERICK HENRY SCHNEIDER ESTATE.....	48,180	7,700	40,480
FREDERICK PAUL SCHNEIDER.....	166,900	29,305	137,595
HERBERT JOHN SCHNEIDER.....	170,300	27,305	142,995
HOWARD GEORGE SCHNEIDER.....	170,216	27,225	142,991
NORMAN CHRISTOPH SCHNEIDER.....	54,140	8,650	45,490
EMMA LOUISE SIEGNER.....	72,000	11,515	60,485
EDWARD JOHN STONE ESTATE.....	8,000	1,280	6,720
HOWARD ADOLPH VOLKER ESTATE.....	58,200	9,310	48,890
		<u>150,000</u>	

SHARES OF THE COMPANY

The following is a summary description of certain attributes of the 6% non-voting non-cumulative Class A preference shares (the "Class A shares"), the Class B shares, the cumulative participating Class C preference shares (the "Class C shares") and the common shares. A complete description of the attributes of the Class A shares, Class B shares and Class C shares is set forth in the Schedule on page 16.

Class A Shares

No Class A shares may be issued without, in each case, the approval of the holders of each of the Class B shares and the Class C shares, except in payment of stock dividends on the Class C shares and common shares in connection with the election by the Company to pay tax pursuant to Section 105 of the Income Tax Act of Canada, which shares will be immediately redeemed following issuance.

Class B Shares and Class C Shares

The Class B shares and the Class C shares will be convertible one into the other at any time. The Class B shares will carry a prior right to a preferential dividend; otherwise the attributes of the Class B shares and the Class C shares will be the same with the exception that any dividend paid on the Class C shares may be paid in the form of a stock dividend.

Dividends—The holders of the Class B shares will be entitled to receive, in priority to the Class C shares and the common shares, and the holders of the Class C shares will be entitled to receive, in priority to the common shares, fixed cumulative preferential dividends, as and when declared by the board of directors, at the rate of 24¢ per share per annum to accrue from the date of issue and to be payable quarterly on the fifteenth day of January, April, July and October.

Provided there are no arrears of dividends on either the Class B shares or Class C shares and further provided that dividends at an annual rate of 24¢ per share have been paid to date in the Company's current fiscal year on the common shares, the holders of the Class B shares and the Class C shares will be then entitled to participate with the holders of the common shares in further dividends as and when declared by the board of directors, in equal amounts per share.

Only cash dividends may be paid on the Class B shares. The directors of the Company may, at their discretion, declare part of any dividend on the Class C shares in the form of a stock dividend payable in Class A shares provided that the aggregate amount of any such dividend (including such stock dividend), for the then outstanding Class C shares, being made up of

- (i) the par value of the total number of Class A shares issued as such stock dividend,
 - (ii) the total tax paid or payable under the Income Tax Act to create the tax-paid undistributed income to be capitalized to pay up such Class A shares, and
 - (iii) the total amount of any cash dividend declared payable at the same time on the Class C shares
- is equal to the aggregate amount such dividend would have been if paid in cash only.

Voting Rights—The holders of the Class B shares will not be entitled as such to receive notice of or to attend or vote at meetings of shareholders unless the Company shall fail to pay in the aggregate eight quarterly preferential dividends whereupon, until payment of all arrears of preferential dividends, the holders of the Class B shares will be entitled to notice of and to attend all meetings of shareholders and will be entitled to 1 vote for each share held and, voting separately and as a class, to elect 1 director of the Company.

The same conditions will govern the holders of the Class C shares who if entitled to vote because of arrears of dividends will be entitled, voting separately and as a class, to elect 1 director of the Company.

Return of Capital—In the event of liquidation, dissolution or winding up of the Company, the holders of the Class B shares and the Class C shares will be entitled to share in any distribution of the property or assets of the Company equally, on a per share basis, with the holders of the common shares.

Conversion—The Class B shares and the Class C shares will be convertible at any time one into the other on a share for share basis. By virtue of The Corporations Act (Ontario), upon any such conversion the number of authorized and outstanding shares of each class affected by the conversion is changed accordingly.

Restrictions—The Company shall not without the authorization of the holders of both the Class B shares and Class C shares voting separately as a class:

- (i) issue shares ranking as to capital or dividends in priority to or on a parity with the Class B shares, or the Class C shares, subject to the proviso that the Class A shares may be issued from time to time as referred to under the sub-heading “Class A Shares” on page 6;
- (ii) issue any further Class B shares or Class C shares except that up to 90,000 Class B shares may be issued from time to time, in the discretion of the board of directors of the Company, pursuant to the J. M. Schneider, Limited Employees Payroll Deduction Capital Stock Purchase Plan and the Stock Option Plan as more fully described under the heading “Options to Purchase Shares” on page 9;
- (iii) issue additional common shares of the Company; or
- (iv) be voluntarily liquidated, dissolved or wound up or its assets distributed among its shareholders or its charter surrendered.

Subdivision, Consolidation or Reclassification—The number of Class B shares, Class C shares or common shares shall not be increased or decreased by reason of being subdivided, consolidated or reclassified unless at the same time the number of shares of all such classes shall be subdivided, consolidated or reclassified in the same proportion and manner.

Common Shares

Each common share of the Company is entitled to 1 vote at all meetings of shareholders. All common shares rank equally with all other common shares and with all the Class B shares and Class C shares upon the winding up or dissolution of the Company and with respect to dividend rights (once a rate of dividend has been paid or declared payable on the common shares equal to the preferential rate of dividend then being paid or declared payable on both the Class B shares and the Class C shares and provided there are no arrears of dividend at such time on either the Class B shares or the Class C shares).

Dividend Policy

It is the present intention of the directors to establish a general dividend policy of declaring and paying dividends in each fiscal year which, in the aggregate, will amount to approximately 40% of the Company's earnings (after deduction of all charges including provision for profit sharing bonus under the plan referred to on page 5 and income taxes) for the preceding fiscal year. This policy will be subject at all times to the discretion of the directors having regard to the best interests of the Company under the circumstances existing at the time including the advisability of reinvesting earnings to finance capital expenditure requirements from time to time.

MANAGEMENT OF THE COMPANY

Directors and Officers

The names and home addresses of the directors of the Company are set forth below. All directors, with the exception of James Douglas Small, are officers with the Company and their present position is shown below. Such directors have held management positions with the Company for the past five years. James Douglas Small was president of the Company for 5 years prior to his retirement in 1968.

JAMES BLANDING BANKS.....	205 Sunview Street.....	Industrial Engineer Waterloo, Ontario
ERIC HENRY BULL.....	R.R. # 1.....	Pork Manager Preston, Ontario
DAWSON CHARLES JAMIESON.....	119 Melrose Avenue.....	Treasurer Kitchener, Ontario
KENNETH GEORGE MURRAY.....	199 Stanley Drive.....	General Manager Waterloo, Ontario
JOHN DARVILLE ROSSITER.....	230 Dick Street.....	Produce Manager Waterloo, Ontario
ROY CARL SCHEIFLEY.....	122 Merner Avenue.....	Secretary Kitchener, Ontario
FREDERICK PAUL SCHNEIDER.....	R.R. # 3.....	President Kitchener, Ontario
HERBERT JOHN SCHNEIDER.....	R.R. # 1.....	Vice-President Preston, Ontario
HOWARD GEORGE SCHNEIDER.....	102 Shadywood Crescent.....	Development Manager Kitchener, Ontario
NORMAN CHRISTOPH SCHNEIDER.....	R.R. # 1.....	Chairman Preston, Ontario
JAMES DOUGLAS SMALL.....	29 Rusholme Road.....	Retired Executive Kitchener, Ontario (Past President)
RICHARD WALTER STEINBERG.....	52 Cloverdale Crescent.....	Plant Engineer Kitchener, Ontario
REGINALD EDWARD WAND.....	Apt. 1103.....	Sales Manager 188 Margaret Avenue, Kitchener, Ontario

Remuneration of Directors and Senior Officers

The amount of the aggregate direct remuneration paid by the Company to its directors and senior officers during its last financial year ended November 2, 1968 was \$313,313 and for the period November 3 to November 30, 1968 was \$20,320. The estimated aggregate cost to the Company for the year ended November 2, 1968 of all pension or retirement benefits proposed to be paid to its directors and senior officers, as a group, in the event of retirement at normal retirement age was \$50,502.

PRINCIPAL HOLDERS OF COMMON SHARES

The following table lists those shareholders of the Company owning of record or known to the Company to own beneficially, either directly or indirectly, more than 10% of the common shares of the Company at December 2, 1968:

	Type of Ownership	Common shares owned	
		Number	Percentage
JEAN MAY HAWKINGS 3 Tweedsmuir Place, Deep River, Ontario.	Of record and beneficial	39,250	10.77%
FREDERICK PAUL SCHNEIDER R.R. # 3, Kitchener, Ontario.	Of record and beneficial	41,725	11.45%
HERBERT JOHN SCHNEIDER R.R. # 1, Preston, Ontario.	Of record and beneficial	42,575	11.68%
HOWARD GEORGE SCHNEIDER 102 Shadywood Crescent, Kitchener, Ontario.	Of record and beneficial	42,500	11.66%

The directors and senior officers of the Company as a group beneficially owned, directly or indirectly, 150,100 common shares of the Company.

DIVIDEND RECORD

The following dividends per share were paid by the Company on the 45¢ non-voting non-cumulative participating Class B preference shares (commencing with the dividend of record of October 8, 1965) and the common shares for the five completed fiscal years ended November 2, 1968:

<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
\$0.40	\$0.42½ ⁽¹⁾	\$0.45 ⁽¹⁾	\$1.62 ⁽¹⁾⁽²⁾	\$0.60 ⁽¹⁾⁽²⁾

1. By supplementary letters patent dated February 18, 1965 the 45¢ non-voting non-cumulative participating Class B preference shares were created. Commencing with the dividend of record of October 8, 1965 these shares received the same rate of dividend as paid to the common shares.
2. Includes a stock dividend of \$1.39½ in 1967 and \$0.25 in 1968 paid by election made under Section 105 of the Income Tax Act.

OPTIONS TO PURCHASE SHARES

Under the J. M. Schneider, Limited Employees Payroll Deduction Capital Stock Purchase Plan the Company has reserved 65,000 Class B shares to be offered, from time to time, to employees of the Company. Such shares are to be issued at a price not less than 90% of the market price (as defined) on the day the employee entered such Plan. No options to purchase Class B shares under this Plan have been granted.

In addition, the Company has reserved under its Stock Option Plan 25,000 Class B shares for issuance upon the exercise of options which may be granted at the discretion of the board of directors from time to time to executives and key employees of the Company. Such shares are to be issued at a price not less than the greater of (a) the average of the high and low sale price for such shares as reported by The Toronto Stock Exchange for the week previous to the time of granting the option or (b) 90% of the market price (as defined) of such shares at the time of granting the option. The option period may extend up to 5 years from date of grant and such option may be exercised in full at any time during such period. There have been no options granted to date under such Plan.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Thorne, Gunn, Helliwell & Christenson, 305 King Street West, Kitchener, Ontario.

The transfer agent and registrar with respect to the Class A shares, the Class B shares, the Class C shares and the common shares is The Canada Trust Company at its principal offices located in Toronto, Montreal and Winnipeg.

J. M. SCHNEIDER, LIMITED
(Incorporated under the laws of Ontario)

Balance Sheet—November 2, 1968

ASSETS

CURRENT ASSETS

Cash.....	\$ 402,564	
Marketable securities at cost, plus accrued interest (quoted market value, \$1,173,682).....	1,193,731	
Accounts receivable.....	2,071,426	
Inventories (note 1).....	3,673,153	
Prepaid expenses.....	144,598	
Special refundable tax.....	68,191	\$ 7,553,663

OTHER ASSETS

Life insurance, cash surrender value.....	16,077
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FIXED ASSETS (note 2)

Land and improved areas, buildings, machinery and equipment, at cost	13,872,759	
Less accumulated depreciation.....	6,535,393	7,337,366
		<u>\$14,907,106</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities.....	\$ 2,191,078	
Income taxes payable.....	579,398	\$ 2,770,476

DEFERRED INCOME TAXES (note 3).....	867,993
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SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 4).....	1,190,115	
CONTRIBUTED SURPLUS (note 4).....	217,643	
RETAINED EARNINGS.....	9,860,879	11,268,637
		<u>\$14,907,106</u>

PENSION COMMITMENT (note 5)

LONG TERM LEASE (note 6)

Approved by the Board:

(Signed) F. P. SCHNEIDER, Director

(Signed) D. C. JAMIESON, Director

J. M. SCHNEIDER, LIMITED

Statement of Income for the Five Years Ended November 2, 1968

	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1964</u>
Sales.....	\$61,066,753	\$57,902,265	\$58,897,547	\$48,126,863	\$42,526,368
Cost of goods sold.....	52,042,516	49,813,363	50,917,243	41,464,609	36,360,573
Gross profit.....	<u>9,024,237</u>	<u>8,088,902</u>	<u>7,980,304</u>	<u>6,662,254</u>	<u>6,165,795</u>
Administrative, distribution and selling expenses.....	6,801,787	5,968,215	5,255,694	4,874,381	4,211,952
Interest on debenture bonds.....	—	14,737	18,715	23,145	26,861
	<u>6,801,787</u>	<u>5,982,952</u>	<u>5,274,409</u>	<u>4,897,526</u>	<u>4,238,813</u>
Operating income.....	2,222,450	2,105,950	2,705,895	1,764,728	1,926,982
Interest income.....	41,612	34,448	39,874	43,151	40,901
Income before income taxes.....	2,264,062	2,140,398	2,745,769	1,807,879	1,967,883
Income taxes (note 3).....	1,195,000	1,109,228	1,399,368	956,325	1,002,523
NET INCOME FOR THE YEAR.....	<u>\$ 1,069,062</u>	<u>\$ 1,031,170</u>	<u>\$ 1,346,401</u>	<u>\$ 851,554</u>	<u>\$ 965,360</u>
Note: The net income for the year shown above is after providing for depreciation of.....					
	\$858,953	\$775,837	\$625,932	\$570,750	\$525,204

Statement of Retained Earnings for the Five Years Ended November 2, 1968

	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1964</u>
BALANCE AT BEGINNING OF YEAR....	\$ 9,036,347	\$ 8,692,926	\$ 7,512,196	\$ 6,815,729	\$ 5,995,968
Net income for the year.....	<u>1,069,062</u>	<u>1,031,170</u>	<u>1,346,401</u>	<u>851,554</u>	<u>965,360</u>
	<u>10,105,409</u>	<u>9,724,096</u>	<u>8,858,597</u>	<u>7,667,283</u>	<u>6,961,328</u>
Deduct					
Dividends on Class B preference shares					
In cash.....	5,432	953	1,745	268	—
In Class A preference shares.....	3,880	5,911	—	—	—
Dividends on common shares					
In cash.....	127,498	81,964	163,926	154,819	145,599
In Class A preference shares.....	91,070	508,171	—	—	—
	<u>227,880</u>	<u>596,999</u>	<u>165,671</u>	<u>155,087</u>	<u>145,599</u>
Tax paid on undistributed income..	16,650	90,750	—	—	—
	<u>244,530</u>	<u>687,749</u>	<u>165,671</u>	<u>155,087</u>	<u>145,599</u>
BALANCE AT END OF YEAR.....	<u>\$ 9,860,879</u>	<u>\$ 9,036,347</u>	<u>\$ 8,692,926</u>	<u>\$ 7,512,196</u>	<u>\$ 6,815,729</u>

J. M. SCHNEIDER, LIMITED

Statement of Contributed Surplus for the Five Years Ended November 2, 1968

	1968	1967	1966	1965	1964
BALANCE AT BEGINNING OF YEAR....	\$ 209,165	\$ 25,378	\$ 11,328	\$ —	\$ —
Premium on issue of Class B preference shares.....	8,478	183,787	14,050	11,328	—
BALANCE AT END OF YEAR.....	<u>\$ 217,643</u>	<u>\$ 209,165</u>	<u>\$ 25,378</u>	<u>\$ 11,328</u>	<u>\$ —</u>

Statement of Source and Application of Funds for the Five Years Ended November 2, 1968

SOURCE OF FUNDS	1968	1967	1966	1965	1964
Operations					
Net income for the year.....	\$ 1,069,062	\$ 1,031,170	\$ 1,346,401	\$ 851,554	\$ 965,360
Add items not involving current funds					
Depreciation.....	858,953	775,837	625,932	570,750	525,204
Deferred income taxes (note 3)	(37,000)	164,777	247,648	243,348	179,942
Bonus to employees paid by issue of 1,641 Class B preference shares.....	—	—	—	31,179	—
	<u>1,891,015</u>	<u>1,971,784</u>	<u>2,219,981</u>	<u>1,696,831</u>	<u>1,670,506</u>
Issue of Class B preference shares for cash.....	15,543	345,952	35,125	22,629	—
Issue of common shares.....	—	—	—	—	20,825
Special refundable tax					
Received during year.....	24,418	—	—	—	—
Transferred to current assets....	68,191	—	—	—	—
Sale of fixed assets.....	116,871	35,267	5,005	53,266	12,035
	<u>2,116,038</u>	<u>2,353,003</u>	<u>2,260,111</u>	<u>1,772,726</u>	<u>1,703,366</u>
APPLICATION OF FUNDS					
Additions to fixed assets.....	1,354,627	1,397,934	1,477,422	829,377	1,398,724
Redemption of Class A preference shares issued as tax-paid stock dividends.....	94,950	514,082	—	—	—
Cash dividends paid					
Class B preference shares.....	5,432	953	1,745	268	—
Common shares.....	127,498	81,964	163,926	154,819	145,599
Redemption of debenture bonds...	—	340,000	130,301	62,500	62,908
Tax paid on undistributed income..	16,650	90,750	—	—	—
Special refundable tax.....	—	35,200	57,409	—	—
	<u>1,599,157</u>	<u>2,460,883</u>	<u>1,830,803</u>	<u>1,046,964</u>	<u>1,607,231</u>
INCREASE (DECREASE) IN WORKING CAPITAL.....	516,881	(107,880)	429,308	725,762	96,135
WORKING CAPITAL AT BEGINNING OF YEAR.....	<u>4,266,306</u>	<u>4,374,186</u>	<u>3,944,878</u>	<u>3,219,116</u>	<u>3,122,981</u>
WORKING CAPITAL AT END OF YEAR..	<u>\$ 4,783,187</u>	<u>\$ 4,266,306</u>	<u>\$ 4,374,186</u>	<u>\$ 3,944,878</u>	<u>\$ 3,219,116</u>

J. M. SCHNEIDER, LIMITED

Notes to Financial Statements

1. Inventories

Products.....	\$3,398,688
Supplies.....	274,465
	<u>\$3,673,153</u>

Products are valued at lower of cost and net realizable value.

Supplies are valued at lower of cost and replacement cost.

2. Fixed Assets

	Cost	Accumulated depreciation	Net
Land and improved areas.....	\$ 261,493	\$ 12,914	\$ 248,579
Buildings.....	5,639,622	2,191,488	3,448,134
Machinery and equipment.....	7,971,644	4,330,991	3,640,653
	<u>\$13,872,759</u>	<u>\$6,535,393</u>	<u>\$7,337,366</u>

Additional outlays of approximately \$550,000 are required for the completion of capital projects as at November 2, 1968.

Depreciation policy

In 1968 the Company changed its method of calculating depreciation from a declining balance to a straight line basis. The comparative figures for 1964 to 1967 inclusive have been restated to reflect this change in depreciation and the resulting change in deferred income taxes. Retained earnings at the beginning of 1964 have been restated to reflect these changes for the years prior to 1964. The effect of this change in depreciation has been to increase the net income for each of the five years ended November 2, 1968 as follows:

	1964	1965	1966	1967	1968
	\$47,786	\$17,217	\$102,267	\$49,430	\$14,923
	Straight line rates applied to cost				
Improved areas.....	10%				
Buildings.....	4% and 10%				
Machinery and equipment.....	10% and 20%				

3. Income Taxes

The provision for income taxes, as reflected in the Company's accounts, is based upon the income as shown and reported therein. In determining its taxable income the Company claims maximum capital cost allowances which give rise to differences as between the amount of the income taxes payable for the period concerned and the amount of income taxes provided for in the Company's accounts. These accumulated differences are reflected in the amount shown as Deferred Income Taxes.

The Company has made what it believes are adequate provisions for income taxes payable. The Company's income tax returns have been reviewed and assessed up to its fiscal year ending in 1966.

4. Capital Stock

(a) Capitalization November 2, 1968

Authorized

890,968 6% non-voting non-cumulative Class A preference shares, redeemable at par value of \$1 per share
 60,000 45¢ non-voting non-cumulative participating Class B preference shares, par value \$15 per share
 520,825 common shares without par value

Issued

15,519 Class B preference shares.....	\$ 232,785
364,280 common shares.....	957,330
	<u>\$1,190,115</u>

(b) New capitalization

Supplementary letters patent to be dated January 10, 1969 are being issued to the Company changing the authorized and issued capital of the Company (see complete details under the heading "Capitalization" on page 5). Presently issued 45¢ non-voting non-cumulative participating Class B preference shares are to be converted into common shares. The common shares (including the shares issued on the conversion of Class B preference shares) are to be subdivided on the basis of 4 new 24¢ cumulative participating Class B preference shares and 1 new common share for each old common share.

Under the provisions of the supplementary letters patent authorized capital would then be as noted below and the shares as at November 2, 1968 would be converted and subdivided so that the issued shares would then become as follows:

Authorized

5,000,000 6% non-voting non-cumulative Class A preference shares redeemable at par value of 20¢ per share
 2,500,000 24¢ cumulative participating Class B preference shares without par value
 1,000 24¢ cumulative participating Class C preference shares without par value
 580,825 common shares

Issued

1,519,196 Class B preference shares.....	\$ 952,092
379,799 common shares.....	238,023
	<u>\$1,190,115</u>

(c) Shares issued for other than cash

The Company in the 5 years ended November 2, 1968 has issued the following shares for a consideration other than cash:

609,032 Class A preference shares as stock dividends—since redeemed
 1,641 Class B preference shares as a bonus to employees of \$31,179.

(d) Under the J. M. Schneider, Limited Employees Payroll Deduction Capital Stock Purchase Plan the Company has reserved 65,000 Class B shares to be offered, from time to time, to employees of the Company. Such shares are to be issued at a price not less than 90% of the market price (as defined) on the day the employee entered such Plan. No options to purchase Class B shares under this Plan have been granted.

In addition, the Company has reserved under its Stock Option Plan 25,000 Class B shares for issuance upon the exercise of options which may be granted at the discretion of the board of directors from time to time to executives and key employees of the Company. Such shares are to be issued at a price not less than the greater of (a) the average of the high and low sale price for such shares as reported by The Toronto Stock Exchange for the week previous to the time of granting the option or (b) 90% of the market price (as defined) of such shares at the time of granting the option. The option period may extend up to 5 years from date of grant and such option may be exercised in full at any time during such period. There have been no options granted to date under such Plan.

5. Pension Commitment

During the year ended November 2, 1968 the Company increased its commitment for past service under the amended terms of the employees' pension plan and paid \$50,000 in reduction thereof. There is no provision in the accounts for the payment of the balance of the commitment, estimated at \$442,000, which is to be paid within the next 20 years.

The Company intends to pay this amount within the time permitted or earlier as the cash position of the Company permits. The related costs will be charged against income in the year of payment.

6. Long Term Lease

The Company is obligated under a lease agreement to make the following payments until September 30, 1973:

1969.....	\$24,300
1970.....	23,500
1971.....	22,700
1972.....	21,800
1973.....	19,300

Auditors' Report

To the Directors of

J. M. SCHNEIDER, LIMITED

We have examined the balance sheet of J. M. Schneider, Limited as at November 2, 1968 and the statements of income, retained earnings, contributed surplus and source and application of funds for the five years then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at November 2, 1968 and the results of its operations and the source and application of its funds for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis after giving effect to the adjustments resulting from the change in the basis of computing depreciation charges as explained in note 2 to the financial statements, with which change we concur.

Kitchener, Ontario.
 January 31, 1969

(Signed) THORNE, GUNN, HELLIWELL & CHRISTENSON
 Chartered Accountants

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act, 1966 (Ontario) provides, in effect, that where a security is offered to the public in the course of primary distribution

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus and any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to Sections 63 and 64 of The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the foregoing rights are conferred.

Certificate of the Company

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder and under the Securities Act (Quebec).

Dated: January 31, 1969.

(Signed) F. P. SCHNEIDER
President

(Signed) D. C. JAMIESON
Treasurer

On behalf of the Board

(Signed) J. D. SMALL
Director

(Signed) J. D. ROSSITER
Director

Directors

(Signed) F. P. SCHNEIDER

(Signed) J. D. ROSSITER

(Signed) D. C. JAMIESON

(Signed) R. W. STEINBERG

(Signed) N. C. SCHNEIDER

(Signed) ERIC H. BULL

(Signed) HOWARD G. SCHNEIDER

(Signed) JAMES B. BANKS

(Signed) J. D. SMALL

(Signed) R. C. SCHEIFLEY

HERBERT J. SCHNEIDER, by his attorney (Signed) F. P. SCHNEIDER

KENNETH G. MURRAY, by his attorney (Signed) F. P. SCHNEIDER

REGINALD E. WAND, by his attorney (Signed) F. P. SCHNEIDER

Certificate of the Underwriter

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder and under the Securities Act (Quebec).

Dated: January 31, 1969.

MCLEOD, YOUNG, WEIR & COMPANY LIMITED

by (Signed) A. FRASER

The following includes the name of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of McLeod, Young, Weir & Company Limited: J. S. Dinnick, G. C. MacDonald, F. O. Evans, C. P. Keeley, R. W. Wadds, J. R. Hilborn and R. J. G. Reiner.

SCHEDULE

Provisions attaching to the Class A Shares, Class B Shares and Class C Shares

The Class A shares, Class B shares and Class C shares shall have attached thereto the following preferences, rights, conditions, restrictions, limitations and prohibitions:

- (1) The Class A shares of the Company shall rank in priority to and in preference to all other shares of the Company;
- (2) The holders of the Class A shares shall in each year in the discretion of the board of directors of the Company, but always in preference and priority to any payment of dividends on all other shares of the Company for such year, be entitled, out of any or all profits or surplus available for dividends, to non-cumulative dividends at the rate of six per cent (6%) per annum on the amount paid up on the Class A shares payable quarterly, half-yearly or yearly as the directors may determine; if in any year, after providing for the full dividend on the Class A shares, there shall remain any profits or surplus available for dividends, such profits or surplus or any part thereof may, in the discretion of the directors, be applied to dividends on the Class B shares, on the Class C shares and on the common shares; the holders of the Class A shares shall not be entitled to any dividend other than or in excess of the non-cumulative dividends at the rate of six per cent (6%) per annum hereinbefore provided for;
- (3) The Class A shares shall rank, both as regards dividends and repayment of capital, in priority to all other shares of the Company but shall not confer any further right to participate in profits or assets;
- (4) The Company may, upon giving notice as hereinafter provided, redeem the whole or any part of the Class A shares on payment for each share to be redeemed of the amount paid up thereon, together with all dividends declared thereon and unpaid; not less than thirty (30) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date and place or places of redemption; if notice of any such redemption be given by the Company in the manner aforesaid and an amount sufficient to redeem the shares be deposited with any trust company or chartered bank in Canada, as specified in the notice, on or before the date fixed for redemption, dividends on the Class A shares to be redeemed shall cease after the date so fixed for redemption, and the holders thereof shall thereafter have no rights against the Company in respect thereof except, upon the surrender of certificates for such shares, to receive payment therefor out of the moneys so deposited;
- (5) If Class A shares are or shall be at any time and from time to time allotted and issued by the Company by way of stock dividend as fully paid shares, the directors may, by resolution passed at the time of the declaration of such stock dividend, provide that the said Class A shares so issued shall be redeemed at par, contemporaneously with or forthwith after the issue thereof by way of such stock dividend; and the shares so allotted and issued shall be redeemed upon the Company or its dividend disbursing agent mailing in a prepaid letter to the shareholder or shareholders entitled to the redemption moneys, addressed to such shareholder at his address as it appears on the books of the Company or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder, its cheque or warrant in the amount of the par value of the share or shares so to be redeemed and to which he is entitled less the amount of any income taxes which the Company may be required to pay or withhold; notwithstanding the foregoing the Company or its transfer agent or agents shall cause proper and appropriate ledger and/or journal entries to be made in the accounts and/or share registers maintained by the Company in order to reflect the allotment and issue of such Class A shares by way of stock dividend and the subsequent redemption and cancellation thereof as hereinbefore provided; in the event that any cheque or warrant representing the redemption moneys in respect of Class A shares redeemed pursuant to this clause is returned by the postal authorities to the Company or its dividend disbursing agent because of inability to locate the shareholder to whom the same was sent, the Company or its dividend disbursing agent may deposit such redemption moneys in a special account in any chartered bank or trust company in Canada to be paid without interest to or to the order of the shareholder entitled thereto upon such shareholder furnishing to the Company satisfactory proof that he is so entitled;
- (6) The Company may, at any time and from time to time, purchase for cancellation the whole or any part of the Class A shares at the lowest price at which, in the opinion of the directors, such shares are obtainable but not exceeding the amount paid up thereon, together with all dividends declared thereon and unpaid;

- (7) In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the Class A shares shall be entitled to receive, before any distribution of any part of the assets of the Company among the holders of any other shares, the amount paid up thereon and any dividends declared thereon and unpaid and no more;
- (8) The holders of the Class A shares shall not, as such, have any voting rights at any meetings of the shareholders of the Company nor shall they be entitled to attend shareholders' meetings but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof; holders of common shares shall be entitled to one (1) vote for each common share held by them at all shareholders' meetings;
- (9) The authorization for an application for the issue of Supplementary Letters Patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Class A shares or to create preference shares ranking in priority to or on a parity with the Class A shares, in addition to the authorization by a special resolution, may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Class A shares duly called for that purpose;
- (10) The holders of the Class B shares shall, in priority to the holders of the Class C shares or any other shares ranking junior to the Class B shares, be entitled to receive, as and when declared by the board of directors of the Company, out of the moneys of the Company properly applicable to the payment of dividends, fixed preferential cumulative cash dividends aggregating twenty-four cents (24¢) per annum per Class B share to accrue from such date or dates not later than six (6) months after the respective dates of issue as may in the case of each issue be determined by the board of directors of the Company or in case no date be so determined, then from the date of allotment, and to be payable in equal amounts quarterly on the fifteenth days of January, April, July and October in each year by cheque at par in lawful money of Canada at any branch in Canada (far northern branches excepted) of the Company's Bankers; the board of directors of the Company shall be entitled from time to time to declare part of any of the said quarterly dividends notwithstanding that such quarterly dividend shall not be declared in full or shall not be paid on the quarterly dividend payment date determined as above provided and such quarterly dividend or the unpaid part thereof may be paid on a subsequent date or dates determined by the board of directors;
- (11) So long as any dividends on the Class B shares shall be in arrears, the Company shall not:
- (a) declare, pay or set apart for payment any dividend on any shares of the Company ranking junior to the Class B shares; or
 - (b) purchase, redeem or retire any shares of the Company or effect any decrease of issued capital, or for any of such purposes set apart any of its funds or property for any sinking, purchase, market maintenance, retirement or similar fund;
- (12) The holders of the Class C shares shall, in priority to the holders of the common shares or any other shares ranking junior to the Class C shares, be entitled to receive, as and when declared by the board of directors of the Company, out of the moneys of the Company properly applicable to the payment of dividends, fixed preferential cumulative cash dividends aggregating twenty-four cents (24¢) per annum per Class C share to accrue from such date or dates not later than six (6) months after the respective dates of issue as may in the case of each issue be determined by the board of directors of the Company or in case no date be so determined, then from the date of allotment, and to be payable in equal amounts quarterly on the fifteenth days of January, April, July and October in each year by cheque at par in lawful money of Canada at any branch in Canada (far northern branches excepted) of the Company's Bankers; the board of directors of the Company shall be entitled from time to time to declare part of any of the said quarterly dividends notwithstanding that such quarterly dividend shall not be declared in full or shall not be paid on the quarterly dividend payment date determined as above provided and such quarterly dividend or the unpaid part thereof may be paid on a subsequent date or dates determined by the board of directors;
- (13) So long as any dividends on the Class C shares shall be in arrears, the Company shall not:
- (a) declare, pay or set apart for payment any dividend on any shares of the Company ranking junior to the Class C shares; or

- (b) purchase, redeem or retire any shares of the Company or effect any decrease of issued capital, or for any of such purposes set apart any of its funds or property for any sinking, purchase, market maintenance, retirement or similar fund;
- (14) Subject to the provisions of clause (15) hereof, whenever in any fiscal year of the Company a dividend or dividends at the rate of twenty-four cents (24¢) per annum per share shall have been paid or declared and set aside for payment on all the Class B shares and Class C shares at the time outstanding and whenever in such fiscal year a dividend or dividends (or stock dividends plus the tax paid by the Company to create the applicable tax paid undistributed income) at the rate of twenty-four cents (24¢) per annum per share shall have been paid or declared and set aside for payment on all the common shares at the time outstanding, any and all further dividends which, in the discretion of the board of directors of the Company, may be declared in such fiscal year shall be declared and paid in equal amounts per share on all the Class B shares, the Class C shares and the common shares at the time outstanding without preference or distinction;
- (15) In declaring dividends the board of directors may, subject to the provisions of The Corporations Act, at any time and from time to time provide (without making any such provision in respect of dividends on the Class B shares or on the common shares) for the payment in whole or in part of any dividend on the Class C shares by way and in the form of a stock dividend of Class A shares fully paid up by the capitalization at the time of such payment of tax paid undistributed income as defined in the Income Tax Act, R.S.C. 1952, Chapter 148 (as now enacted or as the same may from time to time be amended or re-enacted) provided always however that the aggregate amount of any such dividend on the Class C shares (including such stock dividend) being made up of:
- (a) the total par value of the Class A shares to be issued as such stock dividend;
 - (b) the amount of tax paid or to be paid by the Company or any other corporation under the Income Tax Act, R.S.C. 1952, Chapter 148 (as now enacted or as the same may from time to time be amended or re-enacted) to create the tax paid undistributed income to be capitalized to fully pay up the Class A shares mentioned in subclause (a) above; and
 - (c) the total amount of any cash dividend declared payable at the same time on all the Class C shares is equal to the aggregate amount that such dividend would have been if paid in cash only; the directors may at any time and from time to time declare dividends on the Class C shares payable in Class A shares without declaring dividends on the Class B shares or on the common shares payable in Class A shares; the date of payment of all dividends declared at the same time on the Class B shares, the Class C shares and the common shares, whether in cash and/or by way of a stock dividend, shall be the same and such dividends shall be payable to shareholders of record as of such date prior to the said date of payment as the directors of the Company may determine;
- (16) In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, all property and assets of the Company shall be distributed in equal amounts per share outstanding to the holders of the Class B shares, the holders of the Class C shares and the holders of the common shares;
- (17) Except when the transfer books of the Company are closed, the holder of Class B shares shall be entitled to have all or any of the Class B shares held by him converted into Class C shares of the Company on the basis of one (1) Class C share for each Class B share which such holder may desire to convert; in order to exercise such right of conversion, such holder shall deliver to the secretary of the Company or to the Company's transfer agent and surrender the certificate respecting the Class B shares which he desires to convert, together with a written notice exercising such right of conversion, which notice shall state the name or names in which he wishes the certificates for Class C shares to be issued and the address to which he wishes such certificates for Class C shares to be sent; the Class C shares resulting from such conversion shall be deemed to be fully paid and non-assessable; and, after the date of surrender, the said Class B shares shall be converted into Class C shares and the holder thereof shall cease to have any rights in respect thereof except the right to receive certificates for Class C shares; if less than all the Class B shares represented by any certificate are to be converted, the holder shall be entitled to receive a new certificate for the Class B shares representing the shares comprised in the original certificate which are not to be converted;

- (18) Except when the transfer books of the Company are closed, the holder of Class C shares shall be entitled to have all or any of the Class C shares held by him converted into Class B shares of the Company on the basis of one (1) Class B share for each Class C share which such holder may desire to convert; in order to exercise such right of conversion, such holder shall deliver to the secretary of the Company or to the Company's transfer agent and surrender the certificate respecting the Class C shares which he desires to convert, together with a written notice exercising such right of conversion, which notice shall state the name or names in which he wishes the certificates for Class B shares to be issued and the address to which he wishes such certificate for Class B shares to be sent; the Class B shares resulting from such conversion shall be deemed to be fully paid and non-assessable; and, after the date of surrender, the said Class C shares shall be converted into Class B shares and the holder thereof shall cease to have any rights in respect thereof except the right to receive certificates for Class B shares; if less than all the Class C shares represented by any certificate are to be converted, the holder shall be entitled to receive a new certificate for the Class C shares representing the shares comprised in the original certificate which are not to be converted;
- (19) The holders of the Class B shares, as such, shall not be entitled (except as herein otherwise specifically provided) to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting either for the election of directors or for any other purpose. Whenever the Company from time to time shall have failed to pay in the aggregate eight (8) quarterly preferential dividends on the Class B shares, then and until the Company shall have paid the current quarterly preferential dividend on the Class B shares and also shall have paid all arrears of cumulative dividends (if any) on the Class B shares, the holders of the Class B shares shall be entitled to receive notice of and to attend all meetings of shareholders and shall be entitled to one (1) vote in respect of each Class B share held and shall be entitled, voting separately and as a class, to elect one of the members of the board of directors. All the provisions of The Corporations Act and the by-laws of the Company with reference to general meetings of the Company shall, mutatis mutandis, apply to separate meetings of the holders of Class B shares. So long as the said right continues, the holding of one (1) Class B share shall be sufficient to qualify the holder thereof for election as a director of the Company by the holders of Class B shares. In the event of a vacancy in the board due to the death, resignation, ineligibility or inability for any other reason of any director elected by the holders of the Class B shares in accordance with the foregoing provision, such vacancy shall be filled for the remainder of his term of office by the holders of Class B shares at a special meeting of such holders called for the purpose. The holders of the Class B shares may, by a majority of two-thirds ($\frac{2}{3}$) of such holders present or represented at a special meeting of the holders of Class B shares called for the purpose, remove any director elected by them, and by ordinary resolution may elect another person in his stead. Holders of Class B shares shall, however, be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof;
- (20) The holders of the Class C shares, as such, shall not be entitled (except as herein otherwise specifically provided) to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting either for the election of directors or for any other purpose. Whenever the Company from time to time shall have failed to pay in the aggregate eight (8) quarterly dividends on the Class C shares, then and until the Company shall have paid the current quarterly preferential dividend on the Class C shares and also shall have paid all arrears of cumulative dividends (if any) on the Class C shares, the holders of Class C shares shall be entitled to receive notice of and to attend all meetings of shareholders and shall be entitled to one (1) vote in respect of each Class C share held and shall be entitled, voting separately and as a class, to elect one of the members of the board of directors. All the provisions of The Corporations Act and the by-laws of the Company with reference to general meetings of the Company shall, mutatis mutandis, apply to separate meetings of the holders of Class C shares. So long as the said right continues, the holding of one (1) Class C share shall be sufficient to qualify the holder thereof for election as a director of the Company by the holders of Class C shares. In the event of a vacancy in the board due to the death, resignation, ineligibility or inability for any other reason of any director elected by the holders of the Class C shares in accordance with the foregoing provision, such vacancy shall be filled for the remainder of his term of office by the holders of Class C shares at a special meeting of such holders called for the purpose. The holders of the Class C shares may, by a majority of two-thirds ($\frac{2}{3}$) of such holders present or represented at a special meeting of the holders

of Class C shares called for the purpose, remove any director elected by them, and by ordinary resolution may elect another person in his stead. Holders of Class C shares shall, however, be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof;

- (21) The directors may at any time or times or from time to time pass a resolution to be confirmed as a special resolution authorizing an application for the issue of Supplementary Letters Patent whereby all or any of the preferences, rights, conditions and restrictions, limitations and prohibitions attaching to or affecting the Class B shares and/or Class C shares may be deleted or varied but no such special resolution shall be effective or acted upon unless and until authorized by the holders of the Class B shares and by the holders of the Class C shares (each voting separately as a class) in addition to such other vote (including the vote of other classes of shareholders) as may be required by The Corporations Act;
- (22) Subject to the proviso below, no shares may be issued ranking as to capital or dividends in priority to or on a parity with the Class B shares or the Class C shares, nor may further Class B shares or Class C shares be issued without in each case the confirmation of the holders of the Class B shares and of the Class C shares; provided, however, that Class A shares of the Company may from time to time be issued as stock dividends on the Class C shares and on the common shares in connection with the election by the Company to pay tax pursuant to Section 105 of the Income Tax Act of Canada (as now enacted or as the same may from time to time be amended or re-enacted) as long as such Class A shares are immediately redeemed following their issuance and subject to the following further proviso that ninety thousand (90,000) Class B shares may from time to time be issued in the discretion of the board of directors of the Company pursuant to stock option contracts granted or to be granted to directors, officers and employees of the Company and pursuant to the employees' payroll deduction share purchase plan for employees of the Company;
- (23) No additional common shares of the Company may be issued after the date hereof without the prior confirmation of the holders of the Class B shares and of the Class C shares;
- (24) So long as any of the Class B shares or the Class C shares are outstanding the Company shall not be voluntarily liquidated, dissolved or wound up or its assets distributed among its shareholders or its charter surrendered without (a) the prior payment to the holders of the Class B shares and the Class C shares of all unpaid cumulative dividends which shall have accrued on the outstanding Class B shares and Class C shares and which, for such purpose, shall be treated as accruing up to the date immediately preceding the date of the holding of a general meeting of the shareholders of the Company to approve the voluntary liquidation, dissolution or winding up of the Company provided, nevertheless, that the holders of the Class B shares and the holders of the Class C shares may waive their rights to the whole or any part of the unpaid cumulative dividends to which they are respectively entitled by a resolution passed at a meeting of the holders of the Class B shares or the holders of the Class C shares, as the case may be, in the manner provided for in clause (26) hereof; and (b) the prior approval of the holders of the Class B shares and of the Class C shares (each voting separately as a Class);
- (25) The number of outstanding Class B shares, Class C shares and/or common shares shall not be increased or decreased by reason of being subdivided, consolidated or reclassified unless at the same time the number of shares of all such classes of shares shall be subdivided, consolidated or reclassified in the same proportion and manner. Nothing herein contained shall prevent the Company from increasing from time to time the authorized number of Class B shares, Class C shares or common shares; and
- (26) Any authorization by or approval or confirmation of the holders of the Class B shares under the foregoing clauses may be given by means of a resolution passed at a meeting of the holders of the Class B shares duly called for considering the same by the affirmative vote of the holders of not less than two-thirds ($\frac{2}{3}$) of the Class B shares represented and voted at such meeting cast on a poll, and any authorization by or approval or confirmation of the holders of the Class C shares under the foregoing clauses may be given by means of a resolution passed at a meeting of the holders of the Class C shares duly called for considering the same by the affirmative vote of the holders of not less than two-thirds ($\frac{2}{3}$) of the Class C shares represented and voted at such meeting cast on a poll.

SCHEDULE "B"—Continued
J. M. SCHNEIDER, LIMITED

COMMON SHARES

<u>Date of Issue</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Total Amount Realized</u>
1961			
January 25	50	52.00	2,600.00
January 24	10	52.00	520.00
January 27	15	52.00	780.00
March 4	55	52.00	2,860.00
1962			
January 24	10	62.00	620.00
February 2	25	62.00	1,550.00
February 16	50	62.00	3,100.00
March 20	10	62.00	620.00
March 13	50	62.00	3,100.00
June 6	15	62.00	930.00
1963			
January 23	5	75.00	375.00
January 26	95	75.00	7,125.00
January 25	25	75.00	1,875.00
January 29	50	75.00	3,750.00
January 30	30	75.00	2,250.00
February 1	10	75.00	750.00
February 2	10	75.00	750.00
February 12	10	75.00	750.00
February 22	10	75.00	750.00
March 2	20	75.00	1,500.00
March 5	40	75.00	3,000.00
March 19	5	75.00	375.00
March 29	70	75.00	5,250.00
April 5	30	75.00	2,250.00
April 15	5	75.00	375.00
April 19	50	75.00	3,750.00
May 10	85	75.00	6,375.00
May 15	15	75.00	1,125.00
May 17	45	75.00	3,375.00
May 24	110	75.00	8,250.00
May 30	5	75.00	375.00
June 3	556	75.00	41,700.00
June 4	20	75.00	1,500.00
1964			
January 20	45	85.00	3,825.00
January 23	25	85.00	2,125.00
April 1	50	85.00	4,250.00
May 5	15	85.00	1,275.00
June 1	60	85.00	5,100.00

